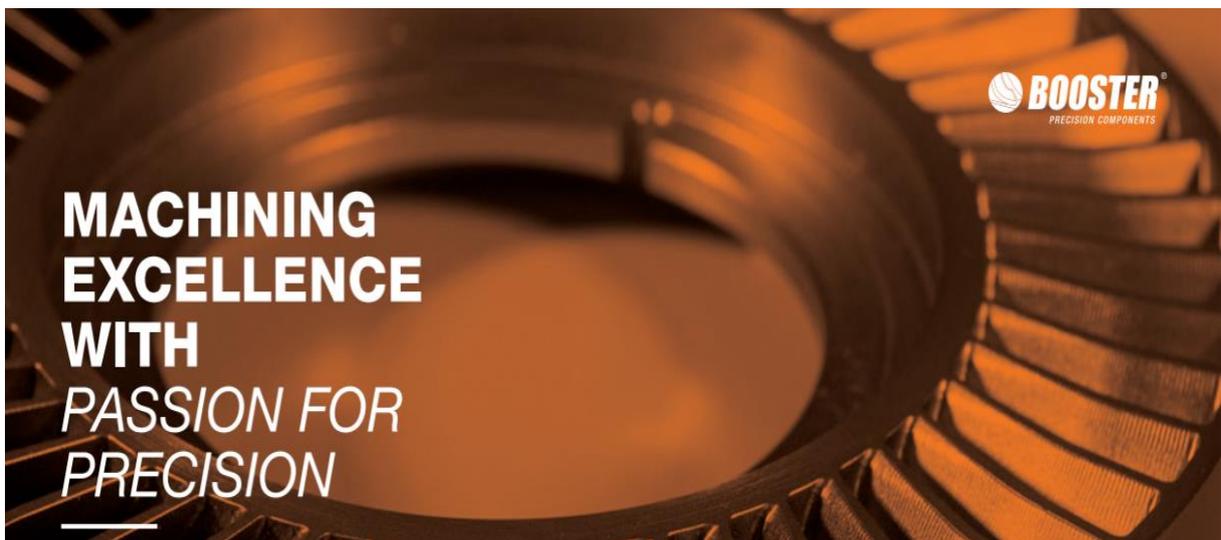




## FINANCIAL GROUP REPORT Q1 2023 (UNAUDITED)

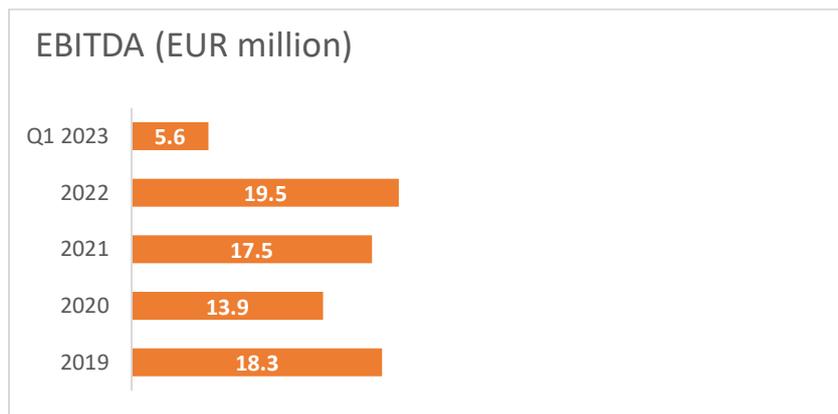
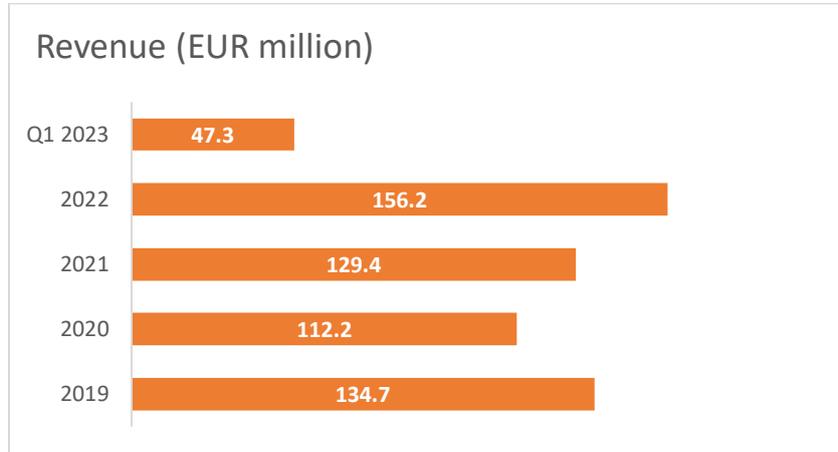


**Booster Precision Components GmbH**

**Quarter ended 31 March 2023**

Registered Office:  
Bockenheimer Landstraße 93  
60325 Frankfurt  
Germany

Booster Precision Components GmbH  
Financial Report  
for the quarter from 1 January to 31 March 2023



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## Management Comments

### General Information

The Booster Group (hereinafter also referred to as "Booster") is an international supplier focused on the production and distribution of highly precise metal parts. The Booster Group comprises nine companies in five countries. The Booster Group's activities currently focus on components for turbochargers, which are primarily used in the automotive sector. Booster Precision Components GmbH, based in Frankfurt am Main, is the holding company of the Booster Group. It provides management, consulting and services for its domestic and foreign subsidiaries.

Production takes place at five locations in four countries (one each in China, Germany, Mexico and two locations in Slovakia). All plants of the Booster Group follow the same functional organizational structure: production, quality, engineering, human resources and finance. In addition, there are the sales and purchasing departments, which are also geographically located at the above-mentioned sites, but work across different locations.

The sales markets are strongly oriented towards the company's international customers. Booster supplies customers in around 20 countries worldwide. Key markets are Europe, USA and China.

The product portfolio currently comprises mainly compressor wheels and components for variable turbine geometry (VTG) turbochargers but is to be expanded significantly as part of Booster's growth strategy. A particular strategic focus is on components for use in electrified or hydrogen-powered vehicles as well as for industrial or medical applications.

The financial accounts are prepared in line with German GAAP (HGB).

### Macroeconomic conditions and development of the automotive sector

According to the International Monetary Fund (IMF), the global economy grew by 3.4% in 2022 (IMF, World Economic Outlook, April 2023). The economic output in Germany slightly increased by 1.8% in 2022 while a growth of 3.5% could be seen in the euro area. Considering stabilizing energy markets, still high price pressure despite a slight decrease in inflation and turbulences in the banking sector due to the sharp rise in interest rates in the first months of 2023, the IMF forecasts a decrease in global growth down to 2.8% for 2023.

In Q1 2023, the global automotive sector continued its recovery from the effects of the COVID-19-pandemic. There was a noticeable easing in the supply chains and the extraordinarily high order backlogs have been reduced somewhat. The German association of the automotive industry (Verband der Automobilindustrie, VDA) forecasts the global market for passenger cars to grow by 4% in 2023, leading to a total market volume of 74.9 million passenger cars (VDA, press release from 2 May 2023). The VDA expects the German automotive market to rise by 4% to 2.8 million passenger cars in the current year and their estimate for Europe (EU, EFTA & UK) is a growth of 7% to 12.0 million new vehicles. The light vehicle market in the USA is projected to experience a 4% growth, resulting in a total of 14.3 million light vehicles in 2023 whereas only a slight growth of 3% is expected for China, where the market already reached a high level in 2022, amounting to approximately 23.9 million passenger cars in 2023.

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### **Earnings Position of the Group**

The demand for Booster's products continued to be very strong in Q1 2023. Booster reached revenues of EUR 47.3 million, which was 22.8% higher than in Q1 2022.

Other income decreased sharply from EUR 4.4 million to EUR 1.0 million. This is due to a positive one-time effect from the sale of a building in Belusa (Slovakia) in the amount of EUR 2.5 million, which is included in the previous year's other income. At the same time, income from currency effects reduced significantly.

Employee benefit costs increased to EUR 9.0 million, but the employee benefit cost ratio went down by 2.2 percentage points compared to Q1 2022.

Other operating expenses rose (OPEX) from EUR 7.2 million to EUR 8.2 million while OPEX cost ratio decreased by 2.3 percentage points compared to the previous year. Main drivers for the additional operating costs, besides the volume-related increase, were higher costs for temporary workers, tools and maintenance.

EBITDA reached EUR 5.6 million in Q1 2023 while EBITDA was at EUR 7.4 million in Q1 2022. This decline is due to the above-mentioned one-time effect from the sale of the building in Belusa (Slovakia) in Q1 2022 in the amount of EUR 2.5 million. Considering this effect, EBITDA increased by +0,7 Mio. € or +14% over last year's first quarter on a like for like basis.

Earnings before interest and taxes (EBIT) were EUR 3.6 million in Q1 2023 (Q1 2022: EUR 5.1 million) and group net income reached EUR 1.4 million (Q1 2022: EUR 2.4 million).

### **Balance Sheet**

Fixed assets increased slightly from EUR 40.4 million to EUR 41.5 million.

Current Assets increased from EUR 65.9 million to EUR 71.9 million, driven by a higher volume of stocks and receivables (in total + EUR 8.0 million) resulting out of the significantly higher sales volume in Q1 2023. Total assets increased from EUR 107.2 million to EUR 114.7 million.

Equity capital grew substantially by 16% to around EUR 15.0 million as of 31 March 2023 compared to EUR 12.9 million at the end of 2022. Equity ratio increased by one percentage point to 13%.

Compared to year-end 2022, provisions in the first quarter are 10.8% higher due to additional provisions for employee benefit costs.

Liabilities rose overall by EUR 4.4 million. Trade payables (excluding finance leases) increased by EUR 1.6 million in line with the higher revenues and higher inventories due to higher sales and delivery schedules. Existing overdraft lines in the amount of EUR 5.2 million were not utilized. The obligations from finance leases went up by EUR 1.0 million from EUR 2.6 million to EUR 3.6 million.

In the previous year, the structure of the debt financing changed significantly as a result of the early refinancing of long-term debt, which had an original maturity date of 30 June 2023. In November 2022, this long-term debt was prematurely replaced by the issuance of a Nordic bond with a volume of EUR 35 million and a term of four years. In addition, a subordinated, unsecured loan of EUR 15 million was prolonged with an international credit fund.

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As of 31 March 2023, the financial indebtedness as defined in the bond terms amounts to EUR 48.0 million and the net interest-bearing debt to EUR 35.8 million. Taking into account LTM-EBITDA of EUR 21.1 million (that according to bond terms excludes extraordinary items of EUR 1.0 million and transaction costs of EUR 2.5 million), the leverage is 1.7, which is far below the maintenance covenant of 4.0.

### **Cash flow Statement**

The operating cash flow decreased from EUR 5.7 million in Q1 2022 to EUR 1.0 million (-83%) mainly due to the significant additional working capital used to process the higher sales volume.

Cash flow from investing activities amounted to EUR 2.6 million. The investments included new machinery necessary to meet the significantly increased sales expectations for this year. The invest in machinery is also focused on new technologies for e-mobility and fuel cells.

In Q1 2023, the financing cash flow reflects a reduced usage of overdraft and leasing arrangements. Interest payments have increased by EUR 0.5 million compared to Q1 2022 because of the rise in liabilities and higher interest rates.

### **Outlook**

Taking into account a strong order book for the next years, the Booster Group expects further strong revenue growth of more than 10% in 2023. Anticipating further declining energy prices and a stabilization of raw material prices, the management expects a linear improvement in earnings despite the ongoing high material price level due to the index-based price pass through agreements with Booster's customers.

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## Group Profit and Loss Statement

	Q1 2023		Q1 2022		Deviation	
	in kEUR	% of output	in kEUR	% of output	in kEUR	% change
	(unaudited)		(unaudited)		Deviation	
Revenue (Net sales)	47,323		38,545		8,777	22.8
Changes in self-produced goods	1,117		(931)		2,048	-
<b>Output</b>	<b>48,440</b>		<b>37,615</b>		<b>10,825</b>	<b>28.8</b>
Self-produced and capitalised assets	0	0.0	47	0.1	(47)	(100.0)
Other income	1,017	2.1	4,400	11.7	(3,383)	(76.9)
<i>thereof - Income from FX-Effect</i>	931		1,678		(747)	(44.5)
Raw material, consumables and services	(26,599)	(54.9)	(19,538)	(51.9)	(7,061)	36.1
Employee benefits cost	(9,023)	(18.6)	(7,822)	(20.8)	(1,201)	15.4
Other operating expenses (OPEX)	(8,216)	(17.0)	(7,232)	(19.2)	(984)	13.6
<i>thereof - Expense from FX-Effect</i>	(1,125)		(1,656)		531	(32.1)
Other taxes	(37)	(0.1)	(34)	(0.1)	(4)	11.0
<b>EBITDA</b>	<b>5,581</b>	<b>11.5</b>	<b>7,436</b>	<b>19.8</b>	<b>(1,855)</b>	<b>(24.9)</b>
Depreciation on tangible assets	(1,728)	(3.6)	(1,700)	(4.5)	(28)	1.7
<b>EBITA</b>	<b>3,853</b>	<b>8.0</b>	<b>5,736</b>	<b>15.3</b>	<b>(1,883)</b>	<b>(32.8)</b>
Amorisation on intangible assets	(215)	(0.4)	(666)	(1.8)	451	(67.7)
<b>Operating Income (EBIT)</b>	<b>3,638</b>	<b>7.5</b>	<b>5,070</b>	<b>13.5</b>	<b>(1,432)</b>	<b>(28.3)</b>
Financial result	(1,700)	(3.5)	(1,222)	(3.2)	(478)	39.2
Taxes on income	(579)	(1.2)	(1,447)	(3.8)	868	(60.0)
<b>Net profit</b>	<b>1,358</b>	<b>2.8</b>	<b>2,402</b>	<b>6.4</b>	<b>(1,043)</b>	<b>(43.4)</b>

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## Group Balance Sheet I

ASSETS (in kEUR)	03-31-2023 (unaudited)	12-31-2023 (audited)
<b>A. Fixed Assets</b>	<b>41,450</b>	<b>40,412</b>
<b>I. Intangible assets</b>	<b>3,802</b>	<b>3,644</b>
<b>II. Tangible assets</b>	<b>37,646</b>	<b>36,765</b>
Land and buildings	2,122	2,255
Technical equipment and machinery	29,263	29,914
Other equipment	3,169	2,994
CIP and prepayments of fixed assets	3,092	1,602
<b>III. Financial assets</b>	<b>2</b>	<b>2</b>
<b>B. Current assets</b>	<b>71,866</b>	<b>65,904</b>
<b>I. Inventories</b>	<b>30,099</b>	<b>28,834</b>
<b>II. Receivables and other assets</b>	<b>29,621</b>	<b>22,912</b>
Trade accounts receivable	30,005	22,411
Liabilities of Factoring Off-Balance	(7,579)	(5,931)
Receivables of Factoring	1,226	902
Prepayments on taxes on income	104	67
Other accounts receivable and assets	5,866	5,462
<b>III. Cash and cash equivalents</b>	<b>12,146</b>	<b>14,158</b>
<b>C. Deferred expenses</b>	<b>1,014</b>	<b>281</b>
<b>D. Deferred tax assets</b>	<b>360</b>	<b>580</b>
	<b>114,690</b>	<b>107,177</b>

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## Group Balance Sheet II

EQUITY and LIABILITIES (in kEUR)	03-31-2023 (unaudited)	12-31-2023 (audited)
<b>A. Equity capital</b>	<b>14,950</b>	<b>12,886</b>
I. Subscribed Capital	40	40
II. Share Capital	(1)	(1)
III. Capital reserves	73,770	73,770
IV. Equity differences from exchange rates	913	482
V. Income reserves	86	(107)
V. Balance sheet profit/loss	(59,858)	(61,217)
VI. Minority interest	0	(82)
<b>B. Provisions</b>	<b>10,627</b>	<b>9,588</b>
Provisions for taxes	3,296	3,399
Other provisions	7,331	6,189
<b>C. Liabilities</b>	<b>88,781</b>	<b>84,371</b>
<b>I. Bonds</b>	<b>35,000</b>	<b>35,000</b>
Senior secured bonds	35,000	35,000
Capitalized interest of Bonds	0	0
<b>II. Liabilities to banks</b>	<b>8,697</b>	<b>7,075</b>
Bank Loans	8,695	7,073
Accrued interests on bank loans	2	2
Current account overdraft	0	0
<b>III. Long term Investment loans</b>	<b>15,714</b>	<b>15,199</b>
Long term investment loans	15,000	15,000
Capitalized interest of investment loans	714	199
<b>IV. Trade accounts payable</b>	<b>26,490</b>	<b>23,933</b>
Trade accounts payable	22,932	21,318
Trade accounts payable -Fin. Lease	3,558	2,615
<b>VI. Other liabilities</b>	<b>2,880</b>	<b>3,164</b>
Liabilities of Factoring On-Balance	0	0
Social security liabilities	368	321
Tax liabilities	724	1,098
Other liabilities	1,788	1,745
<b>D. Deferred income</b>	<b>28</b>	<b>28</b>
<b>E. Deferred tax liabilities</b>	<b>304</b>	<b>304</b>
	<b>114,690</b>	<b>107,177</b>

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## Group Cash flow Statement

Cash flow Statement (in kEUR)	Q1 2023 (unaudited)	Q1 2022 (unaudited)
Profit for the period (consolidated net income/net loss including minority interests)	1,360	2,418
Depreciation, amorisation and write of nin-current assets	1,943	2,366
Increase /decrease of provisions	1,039	4,294
Other non cash income/expenses	733	408
Increase/decrease in inventories, trade account receivables and other assets not attributable to investing or financing activities	(7,937)	(4,856)
Increase/decrease in trade account payables and other liabilities not attributable to investing or financing activities	1,799	858
Gain / loss on disposal of non-current assets	(0)	(2,501)
Interest expenses / interests income	1,700	1,222
Income tax expense	578	1,431
Income tax payments	(46)	(46)
Effect of exchange rate movements on balance sheet items	(215)	131
<b>Cash flow from operating activities</b>	<b>954</b>	<b>5,724</b>
Proceeds from disposal of intangible assets	0	(42)
Cash outlaws for investments in intangible assets	(359)	0
Proceeds from disposal of tangible fixed assets		10,670
Cash outlaws for investments in tangible fixed assets	(2,270)	(3,185)
Interest received	38	1
<b>Cash flow from investing activities</b>	<b>(2,591)</b>	<b>7,443</b>
Proceeds from the issuance of Bonds and the raising of financial loans		(1,697)
Outlaws from the repayment of financial loans		(3,336)
Outgoing/incoming payments related to financial lease	943	(490)
Interest paid	(1,318)	(260)
<b>Cash flow from financing activities</b>	<b>(375)</b>	<b>(5,783)</b>
<b>Cash relevant changes of cash funds</b>	<b>(2,012)</b>	<b>7,384</b>
Effect on cash funds from exchange rate movements and reevaluations		
Cash funds at the beginning of period	14,158	7,322
<b>Cash funds at the end of period</b>	<b>12,146</b>	<b>14,706</b>